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into publicity (p. 304). The Gilds, although long supported by governmental authority, were destined to fall because of the pressure of capitalistic production and because of their abuse of power.

The question to-day is, "How may the training of the old apprenticeship system be introduced into present-day industry?" The answer suggested is, "by the raising of the school age, the creation of compulsory continuation classes, and the further regulation of employment out of school hours . . ." (p. 350). This volume, which is the most valuable recent publication on the subject, will undoubtedly greatly help in the reform of the conditions surrounding child labor.

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FISHER, IRVING. *Elementary Principles of Economics*. Pp. xxviii, 531. Price, \$2.00. New York: Macmillan Company, 1912.

A remarkable volume in several respects, its chief characteristic being the novel policy and method in subdividing the field of study. In his preface, the author makes clear his attitude anent the pedagogical ideal as far as economic study is concerned, and though he may not convince all, he undoubtedly clarifies many disputed points by his lucid and trenchant arguments. His point—as to the use of business terms and familiar phrases—is singularly well taken. On the other hand, though his thesis that diagrammatic interpretation *per se* is logical (because familiar) carries conviction, his own choice of diagrams is not above question. Again, the omission of problem solutions seems open to some doubt, since the science of economics is essentially a dynamic one that is enriched and clarified by the pronouncements of its apostles. Using the author's own viewpoint that an elementary text-book should "concern itself with economic principles, not their applications"—it seems only reasonable to follow condition with readjustment.

The familiar topics of production, exchange, distribution and consumption are not treated as such but woven skilfully into the fabric of his own original mosaic of economic thought. The logical and historical methods are thrown overboard in favor of the pedagogical, a method that leads "from familiar to unfamiliar." Its object is to economically rationalize the ideas already in the mind of the student and to successfully combat the misconceptions in regard to every-day economic processes. Thus, the entire field is viewed from the angle of money and price concepts. The social studies on such subjects as child labor, industrial organization and monopolies, usually found under separate headings, are omitted and their existence is noted in connection with financial matters. Of special note, are his chapters on Property, Capitalizing Income, Impatience for Income the Basis of Interest, and Wealth and Welfare. In each of these, the psychologico-philosophical attitude of interpretation is particularly marked, the discussion of impatience as the basis of interest being noteworthy. His treatment of income from capital and income from labor is ingenious but not satisfying, the absence of any well-defined concept of distribution and consumption marring the general impression. Finally, his résumé of the relation of wealth to welfare seems vague, since only general conclusions are reached, and these in a manner not calculated to bring universal conviction. A curious turn is given to this subject

by the introduction of the psychological effect of vanity, a good instance of the trend of thought throughout.

Looking at the text-book as a whole, it seems to suffer largely from its omissions of starting-points commonly accepted as being vital. It is difficult to get the social point of view of the whole economic field, and as a groundwork of dynamic economic theory, the volume would have to be correlated with reference reading of large scope. On the contrary, it has exceptional merit in its treatment of income, prices and theories of money, and as a whole represents a scholarly attempt to break down the common tradition of distrust against economic study.

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FISHER, IRVING, *et al.* *How to Invest When Prices are Rising.* Pp. 144. Price, \$1.00. Scranton: G. Lynn Summer & Co., 1912.

The sub-title of this volume is "A Scientific Method of Providing for the Increasing Cost of Living." It is a collection of papers by seven financial experts who are exponents of the quantity theory of money and believe that the investor of to-day should avoid long-term bonds and instead purchase stocks. The present rise in prices is due primarily to the increased world output of gold and will probably continue for some years longer. Bonds yield a fixed annual return and as prices rise the bondholder receives through interest payments and at maturity in the return of his principal a greatly reduced purchasing power. Unless the bonds mature in a short time and reinvestment on better terms is possible, bonds should be avoided.

The stockholder, however, is a part owner of the corporation and as such shares in its earnings which tend to increase each year as prices rise. If the stocks are carefully chosen they are thus a better security as prices rise, while bonds are better when prices are falling. But the purchase of stocks introduces an element of risk, and the investor should insist on bonds with a stock bonus, the bonds guarding him against the loss of his nominal principal and interest, while the stock makes it possible for him to share in the company's earnings and so protects him as prices rise. The same result may be secured by the purchase of bonds convertible into stock.

This argument is clearly presented and is supported by carefully gathered statistics on all points of importance. Only one or two matters call for special comment. In this, as in most of the current discussions of the relation of increased gold production to rising prices, too little space is given to the part played by the development of credit. Also more consideration should be granted to the possibility of an increase in production from the application of scientific methods in business and in agriculture. Perhaps any development in this direction will be more than offset by other influences, but there has not yet been a sufficiently careful analysis of it. It is entirely probable that development of these two points would not alter the conclusion that prices will continue to rise and that the increased output of gold is one of the leading causes. Nor would it change the main contention of the book that in a period of rising prices the bondholder suffers a depreciation in his investment.